

(1) by striking "a State plan approved under title XIX" and inserting "a Federal health care program" and
 (2) by striking "the State may at its option (notwithstanding any other provision of that title or of such plan)" and inserting "the administrator of such program may at its option (notwithstanding any other provision of such program)".

(3) In subsection (b), by striking "title XVIII or a State health care program" each place it appears and inserting "a Federal health care program".

(4) In subsection (c), by inserting "(as defined in section 1128(h))" after "a State health care program".

(5) By adding at the end the following new subsection:

"(f) For purposes of this section, the term 'Federal health care program' means—

"(1) any plan or program that provides health benefits, whether directly through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the health insurance program under chapter 89 of title 5, United States Code); or

"(2) any State health care program, as defined in section

42 USC 1320a- (b) EFFECTIVE DATE. — The amendments made by this section

7b note. shall take effect on January 1, 1997.

SEC. 205. GUIDANCE REGARDING APPLICATION OF HEALTH CARE FRAUD AND ABUSE SANCTIONS.

Title XI (42 U.S.C. 1301 et seq.) as amended by section 201, is amended by inserting after section 1128C the following new section:

"GUIDANCE REGARDING APPLICATION OF HEALTH CARE FRAUD AND ABUSE SANCTIONS

42 USC 1320a- "SEC. 1128D. (a) SOLICITATION AND PUBLICATION OF MODIFICA-

TIONS TO EXISTING SAFE HARBORS AND NEW SAFE HARBORS —

"(1) IN GENERAL.—

Federal Register,

"(A) SOLICITATION OF PROPOSALS FOR SAFE HARBORS —

publication.

Not later than January 1, 1997, and not less than annually

thereafter, the Secretary shall publish a notice in the Federal Register soliciting proposals, which will be accepted during a 60-day period, for —

"(i) modifications to existing safe harbors issued pursuant to section 14(a) of the Medicare and Medicaid Patient and Program Protection Act of 1987 (42 U.S.C. 1320a-7b note);

"(ii) additional safe harbors specifying

navment
practices that shall not be treated as a
criminal offense
under section 1128B(h) and shall not
serve as the
basis for an exclusion under section 1128(b)
(7);

"(iii) advisory opinions to be issued
pursuant to
subsection (b); and

"(iv) special fraud alerts to be issued
pursuant
to subsection (c).

"(B) PUBLICATION OF PROPOSED
MODIFICATIONS AND

Federal Register, **PROPOSED ADDITIONAL SAFE HARBORS.** ~~After~~ **After**
considering
publication. the proposals described in clauses (i) and (ii)
of subpara-
graph (A), the Secretary, in consultation with the Attorney